

THE TEXAS PACIFIC RAILWAY

(A Dependency of the Great Pennsylvania Monopoly)

CONTRASTED WITH

A REAL SOUTHERN PACIFIC R. R.

ALONG THE THIRTY-SECOND PARALLEL OF LATITUDE,
HAVING TERMINI AND CONNECTIONS
IN SOUTHERN STATES.

A LETTER TO THE PEOPLE OF THE SOUTH.

BY

THOMAS M. NORWOOD,

Of Savannah, Georgia.

1878.

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TEXAS PACIFIC RAILROAD SUBSIDY

WOULD IT BENEFIT OR INJURE THE SOUTH?

To the People of the Southern States :—

The Hon. J. C. Brown, Vice-President of the Texas and Pacific Railroad Company, has recently issued an address to you in advocacy of that road, and of its claims to your favor. As a Southern man, desirous of promoting a genuine Southern road, more than as the representative and counsel of the Southern Pacific Railroad Company in the South, I respectfully request your attention to the following reply.

As many persons do not understand the difference between the two companies, I will briefly state it.

The Southern Pacific is a California company. It has constructed the greater part of a road from San Francisco southeast to Fort Yuma, 720 miles, and is now extending it into Arizona. The Texas and Pacific is a company organized under a law of Texas. It is the successor of the Southern Pacific of Texas.

In 1871, Congress granted to the Texas and Pacific the right to build a road from Marshall, Texas, to San Diego, California, and to the Southern Pacific, a company that was then building a line down into Southern California, the right to connect with the Texas and Pacific at or near Fort Yuma, on the Colorado river, which bounds California east and Arizona west. The Southern Pacific was required to build fifty miles a year of this thirty-second parallel connection, or to finish its three hundred and fifty mile road within seven years. That company completed its work before the time thus limited had expired. *It complied fully with the law of Congress.*

LAND-GRABBING IN NORTHEAST TEXAS.

What has the Texas and Pacific company done? It was required to build west from Marshall not less than one hundred miles a year, and not less than twenty-five miles east from San

Diego every year, and "so to complete" its road within ten years. The Act of Texas confirming to that company the right of way across the State, and giving it over twenty-two million acres of land in alternate sections, was passed in May, 1872. The Texas and Pacific, from 1871 to this day, has built but one hundred and eighty-four miles west from Marshall to Fort Worth, and not a foot of road east from San Diego. It has built more miles of road, but they are of no use to the South as a trans-continental road. They run northeast from Marshall to Texarkana, and thence west to Sherman, Texas, and parallel with and not a hundred miles from the trunk line of one hundred and eighty-four miles from Marshall to Fort Worth—I say "trunk line" in courtesy to the company; for as the trunk line which the Texas and Pacific promised, in 1871, to build for us in ten years was to be over sixteen hundred miles long—the one hundred and eighty-four miles built *and bought* by the Texas and Pacific looks to the Southern people more like a "carpet-bag" than a "trunk" line. I will show you before I am done, that this company has other features of the "carpet-bagger," so familiar to the South, in her railroad experience from 1868 to 1876.

But Governor Brown said, in Charleston, before the Chamber of Commerce, in explaining why the Texas and Pacific had neglected to comply with the Act of Congress requiring "not less than one hundred miles to be built west from Marshall every year;" that the law of Texas required the Texas and Pacific to build from Marshall northeast to Texarkana and west to Sherman. Well, we will take that as true, and give the company full credit. Then, what does it avail the company? The Act of Congress and the Act of Texas were both passed in 1872. The company, headed by Mr. T. A. Scott, ought to have known whether they could comply with both requirements. Congress was mandatory: "not less than one hundred miles a year shall be built" west from Marshall to San Diego. If Mr. Scott was not able to do both, or either, why did he not tell us so frankly, and leave the South to look to another company? But why comply with the law of Texas and neglect the requirements of Congress? Why do this if he desired to build a Trans-Continental Road? The reason is confessed by Mr. Scott, in an argument before the Senate Committee on Railroads, in December, 1874, when asking for a subsidy, in credit, of over \$60,000,000, he said that the Texas & Pacific have 325 miles of road located in the "garden

lands" of Texas. By building *North* from the trunk line, he secured an immense body of lands in the finest portion of Texas. Nearly five million acres are thus secured. Congress gave, by the Act of 1871, eighteen million acres in Arizona, New Mexico and California (see Scott's Annual Report, 1877, page 25). So that the Texas and Pacific had over forty million acres under grants by Congress and Texas.

Knowing now why the Texas and Pacific preferred to obey Texas and not Congress, let us see if that company could have obeyed both. In other words, could it have built West from Marshall as well as North from Marshall toward St. Louis, where Mr. Scott's Pennsylvania Central Railroad has its Western-Southern terminus. This I can only answer by giving Mr. Scott's statement (same Report, page 11) of the indebtedness of the Texas and Pacific to 1st June, 1877. That indebtedness was \$27,609,004.32, less \$318,985.02 surplus. For this the company has 444 miles of road with rolling stock and usual appurtenances. The road has cost over \$62,000 a mile, according to this showing. The highest estimate I have ever heard for constructing a road in the 32d parallel is \$35,000 a mile. Governor Brown said, in Charleston, it can be built for \$30,000 a mile, and Mr. Scott is now asking for a guaranty by the government of five per cent interest on \$27,500 a mile, while holding this vast land grant in Texas. It is evident, from these figures, that more than four hundred and forty-four miles of road could have been constructed with the amount reported as expended.

THE CONSTRUCTION COMPANY PARASITE.

So, we have here a genuine Southern carpet bagger "development," mammoth railroad enterprise. First, the Texas and Pacific sets out to build a road with no help, except the 40,000,000 acres of land. It starts from Marshall, west, but stops to throw a drag-net into Northeast Texas to catch five million acres of that "garden region." Having lassoed them, and not regarding the law of Congress, it holds this "garden region" and comes to Congress and says it is impossible to go a mile further without help. Such was our experience with the carpet bag developers in Georgia, Alabama and all the reconstructed States. This Texas and Pacific has a parasite. The Texas and Pacific has had, and has, its Credit Mobiler, known as The California and Texas Railway Construction Company. These construction companies are, as a rule, com-

posed of officers of the railroad company. The officers of the railroad company contract with themselves, as members of the construction company (under another name of course), and they fix their own prices and charge the stockholders with the cost of construction, and put the money in their own pockets. I do not say that the officers of the Texas and Pacific have done this, but Mr. Herbert of Alabama, in a speech delivered in Congress last June, openly charged, that Mr. Scott, the President of the Texas and Pacific, was a member of the California and Texas Railway Construction Company, and no one denied the charge. If this be true, it is enough to awaken our grave suspicions, and to make us look closely for a trap, lest we walk into it. There are tracks of carpet baggers along this enterprise, and this is sufficient to put the South on its guard.

I think the foregoing is enough to satisfy any one that the Texas & Pacific is unable to build a road to San Diego, or to Ft. Yuma or El Paso, or to any point, without a subsidy. But Mr. Scott and Gov. Brown admit the fact. In 1874, Mr. Scott left off his work, and went to Congress for aid. He began by asking for over sixty millions and has fallen to thirty-eight and three-quarter millions. The pending Bill calls for the latter sum. It is to be supposed that Mr. Scott knows how much he needs, and that he speaks what he knows. If so, the South must agree to vote him all he asks, and a little more, should his calculation be short of his wants, or do without a road in the thirty-second parallel, or look to some one else to build it.

DO THE MANAGERS DESIRE A SOUTHERN ROAD?

But, even if this enormous amount should be voted to the Texas & Pacific, will it build a *southern* road ; that is, a road which would benefit the Southern States east of Texas ? We can get light on this question, and, probably, answer it to our satisfaction, by taking a brief view of the action of this Company. It began work in 1871. In May, 1872, Congress passed an amendatory act requiring so many miles a year, to be built as already stated above. If the Company really intended to build a southern road to run from San Diego to the Mississippi River, on the 32d parallel, its action ought to show it. The reason for building it northeast from Marshall to Texarkana, 69 miles, in a line toward St. Louis, is explained by Governor Brown as a necessity under the statute of Texas. So far let

us give credit. I am willing to give that Company all the credit it can show reason for. But when we see hereafter how it has repeatedly tried to climb up toward St. Louis as its eastern terminus, the most credulous may be excused for suspecting that the Texas & Pacific was not over indignant at the State of Texas for the compulsory mandate to build northeast in the direction of its fondest yearning. This penal condition is not unlike the old fable of the rabbit that prayed to be thrown in the fire, in the water—anywhere—except the brier patch. Now to the facts.

In 1874, Mr. Scott applied to Congress for a subsidy for the Texas & Pacific. In the same bill he asked for an equal subsidy for the Atlantic & Pacific. This Company was to build southwest from Vinita, in the northeast corner of Indian Territory, and connect with the Texas & Pacific, at or near southeast corner of New Mexico. From Philadelphia to St. Louis the Pennsylvania Central and its leased lines extend. From St. Louis to Vinita runs the St. Louis & San Francisco Railroad southwest, and the Atlantic & Pacific would be but an extension of the Pennsylvania Central to the Texas & Pacific, and thence by and over the Texas & Pacific to the Pacific coast. Mr. Scott was President of the Union Pacific, which extends from Omaha to Ogden, but in 1871 he was deposed, and he naturally desired to establish another connection with the Pacific for the Pennsylvania Central, of which he was and is President. And the only practicable route was on or near the 32d parallel. He knew that the open proposition to build southwest from St. Louis must meet with opposition, North and South, and that the only feasible method was to cultivate Southern favor by the promise of a road running due west on the 32d parallel.

In 1875, another bill was introduced by Mr. Wells, of Mo., asking for a subsidy to the same roads—the Atlantic & Pacific and Texas & Pacific.

In 1876, Senator Dorsey, of Arkansas, introduced a similar bill. This bill contained a new and very striking feature, most adroitly drawn. It reads: "The Texas & Pacific Railway Company is hereby authorized to construct that *part of its line from Sherman, Texas, via Fort Worth, westwardly &c.*" Then follows, a page further on, this sly—very sly—language: "Said Texas & Pacific Railway *shall be constructed and put in operation continuously from its eastern terminus at Texarkana, and from a point on the east boundary line of Texas,*

where a connection is made with the line to Shreveport, to a point of junction, as herein provided, with the Atlantic & Pacific, &c.”

TRYING TO SHIFT THE TERMINUS NORTHWARD.

Here are three significant facts. First. From Sherman to Fort Worth is declared to be a *part of the line* of the Texas & Pacific. The Acts of Congress of 1871 and 1872 made the line from Marshall to Dallas the road of the Texas & Pacific. Second. The “*eastern terminus*” of the Texas & Pacific is declared to be at Texarkana. Third. The original eastern terminus, Marshall, is spoken of as “*a point*” and not as a terminus.

This bill was intended to change the original line which seduced the Southern people to Mr. Scott’s aid, and make it run from Texarkana (the eastern terminus) west to Sherman, and thence southwest to Fort Worth. This would have placed the road about seventy miles further north and nearer to St. Louis. This attempt was made in spite of the fact that in the act of 1872, amending the charter of the Texas & Pacific, a significant proviso was contained *forbidding* a change of the eastern terminus from Marshall.

We can begin to see why Texas so cruelly commanded Mr. Scott to build northeast from Marshall to Texarkana and west to Sherman, to seize all her fat lands in that “garden region,” and why she drove him so much nearer to his home at St. Louis, against his angry protest of course.

Again, in 1877, Mr. Lamar, Chairman of the House Committee on Pacific Railroads, reported a bill which couples the Texas & Pacific and Atlantic & Pacific—giving both a subsidy—and connecting the latter with the former between the 100th and 99th of longitude.

In 1878 the Atlantic & Pacific was dropped as dead weight ; but can any one doubt that the Vinita road is still a part of Mr. Scott’s scheme.

These facts are almost a demonstration of the settled purpose of the Texas & Pacific to slew the eastern end of its road around to St. Louis. But there are other facts still.

Of the eighteen officers of the Texas & Pacific, only three live south of the Ohio, Gov. Brown, one of the Vice-Presidents, in Tennessee, W. C. Hall, in Kentucky, and W. M. Harrison, in Texas. The President, First Vice-President, Secretary, Treasurer, and seven of the directors reside in Pennsylvania,

and, I believe, in Philadelphia. The presumption is very violent that these gentlemen are burning with zeal to develop the South and southern interests, and to destroy the Pennsylvania Central, with its seventeen leased railroads of over 3,000 miles all north of the Ohio. It is more than natural for Mr. Scott to spend an enormous sum of money in Washington and over the South, to procure legislation to enable him to build a road to compete with the Pennsylvania Central. The southern people are trusting—but not idiotic. We have too much respect for Mr. Scott's judgment and business sense—too high regard for his honesty and faithfulness to a sacred trust, to suspect him of ever having intended to build a really southern road, one which would be tributary to Galveston, New Orleans, Vicksburg, Memphis, Montgomery, Atlanta, Nashville, Columbus, Macon, Augusta, Savannah, Charleston, Columbia, Wilmington, Raleigh, Richmond and Norfolk, and all the country surrounding these cities. If Mr. Scott seriously intends to build such a road he ought, from common honesty, to resign the Presidency of the Pennsylvania Central. If, on the other hand, he desires a feeder from the Pacific, and we of the South are willing to vote him money to build it, at our expense, he should not be censured; for he is looking to his own interests, and is only trying to make his dry stock give milk again. The South, though, would wear bells ever after.

THE MISSISSIPPI EXTENSION—HOW NOT TO BUILD IT.

But there is another fact. Should the South, by her vote in Congress, give money or credit to the Texas & Pacific, where would be its eastern terminus? We have seen that one bill would have fixed it at Texarkana. And has Mr. Scott or Gov. Brown ever said where it shall be? This is the place on their road where they always shy or back, or run away. It is a dangerous point, and like the text "which could be found somewhere between the first chapter of Generations and the last of Revolutions"—the eastern terminus, they tell us, will be found some day between the mouth of the Mississippi and its source.

The only concession that the Texas and Pacific has ever made on this question, was made at the last session of Congress, in and by the Bill reported by Senator Matthews. This section of the Bill is so exquisitely indefinite, so Talleyrandish—concealing by language its meaning—so verbosely generous and fair, and yet so elaborate in nothingness, that I will not

mar it by a paraphrase. It is one of the curiosities in legislative literature, and illustrates the genius of Mr. Scott, or Gov. Brown, or its author, "how *not* to do it."

SEC. 12. That in order to secure the accomplishment of the original and present design of the Texas and Pacific Railway Company, that is to say, a main trunk-line communication between the Mississippi River and the Pacific coast, the said Texas and Pacific Railway Company is hereby authorized and required to acquire or construct, maintain, and operate the said main trunk-road from a point of said main trunk, as now constructed, to the Mississippi River, at the most practicable point, as may hereafter be designated, to be determined in the manner hereinafter provided; and when the points so mentioned are determined, the first-mortgage bonds of said company may be executed and issued, not to exceed at the rate of twenty thousand dollars per mile, for purposes of constructing or purchasing, owning, controlling, and equipping such part of said Texas and Pacific Railway: *Provided*, That said mortgage shall not embrace or constitute a lien upon any property, franchise, or security pledged as an indemnity to the government for the guarantee of interest on the bonds issued to construct any portion of the line between Fort Worth and San Diego. And to make and perfect the highway aforesaid in such manner as may do equal and exact justice to all sections of the country to be affected thereby, it shall be the duty of the President of the United States, within sixty days after the passage of this act, to appoint five commissioners, three of whom shall be the three engineer officers of the United States highest in rank, and all of them wholly unconnected with, and free from all personal or corporate interest in, any of the proposed routes between Texas and the Mississippi River, and also free from all personal or corporate interest in any railroad company from any point on or connecting with the Mississippi River and the Atlantic or Gulf coast, whose duty it shall be to examine the various proposed routes between the Mississippi River and the present constructed road of the Texas and Pacific Railway Company; and after considering all questions of distance, cost, and transportation-routes, in view of foreign as well as domestic trade and commerce, and also in view of an eligible connection with the Atlantic seaboard, to report where in their judgment the proposed addition eastward of the present main trunk-line of the Texas and Pacific Railway Company shall connect with the present line, and where it shall connect with the Mississippi River: *Provided*, That the point of connection with the Mississippi River shall not be farther north than the city of Memphis, Tennessee; and their report, if approved by the President of the United States, shall be final and conclusive in determining the location of the eastern connection with the Mississippi River, which shall then be constructed according to the government standard, but without any guarantee of interest by the government: *Provided, however*, That the authority of the State or States through which the line may be located shall be obtained before the road shall be built; and that this part of said line shall be built at the rate of not less than fifty miles per annum, after the location of the line is determined on: *And provided further*, That the eastern terminus of the said Texas and Pacific Railway shall be on the east bank of the Mississippi River wherever this point may be designated, and which terminus may be reached either by suitable boats or a bridge over said river, as may be preferred by said company: *And provided further*, That the said Texas and Pacific Railway Company shall have the right to purchase the charter, franchises, and property of any existing line, if any there be, on the selected route, or construct a new one, at the option of said company. [Senate Bill 942, reported by Senator Matthews.]

The President *shall* appoint commissioners within sixty days ! That means business. There is nerve and energy in that. Mr. Scott has spoken comfort at last to our trembling souls. We gape like the rabble at the reading of Cæsar's will. The terminus will be fixed within six months at farthest. Of course we expect to hear in the very next sentence the number of days or months allowed for fixing forever the eastern terminus. Let us see :

When the commissioners examine all the various proposed routes between Marshall and the Mississippi river—when the three engineer officers who must be highest in rank (for no others can act) shall have no interest in any of the railroads ; when the five commissioners shall have “ considered *all* questions of *distance, cost, and transportation routes*—in view of *foreign and domestic trade and commerce*—and also in view of *an* (one) *eligible* connection with the *Atlantic seaboard* ; when they shall report their conclusion ; when the President shall agree with them, if they should be unanimous, or with the majority, if they disagree ; *then* the eastern terminus will be fixed—*provided*, however, the authority of the State through which the line may be located shall be obtained *before* the road shall be built ; and *provided* fifty miles per annum of this line shall be built *after* the location of *the line* (not the *terminus*) is determined on. Can any man doubt the cunning purpose of all this cumbrous machinery, and these many contingencies, when a single sentence, honestly spoken, would have fixed the terminus at Memphis or Vicksburg ? It is time this shuffling and double-dealing were at an end, and you have the power to stop it.

But this Bill is remarkable in other respects. I directed Gov. Brown's attention, when we discussed the merits of these two companies before the Chamber of Commerce in Charleston, to the fact that this Bill does not contain a clause for forfeiture in the event the Texas & Pacific failed to build the connection *east* from Marshall to the Mississippi river. His reply was, that there was such a clause in the House Bill. “ He asked the Senate to adopt the House Bill, but when they came to consider it, they did so with closed doors, and afterwards these discrepancies were discovered.” This explanation is wholly unsatisfactory. All committees of the Senate sit with closed doors when acting on Bills. They sit often with open doors when hearing arguments, but never when making up judgment. But, whether in open or secret session, would any

committee of its own motion, omit a provision consented to by the company, which was for the protection of the Government, or the people? The location of the eastern terminus hinged on that clause, for without it, the Texas & Pacific could not be compelled to build east of Marshall. I leave this awkward question just where it is, with the remark that I acquit both the committee and Gov. Brown of the responsibility of omitting that most important provision of the Bill. Some one is responsible for it, and it was not done by the Government, or the people, or the Southern Pacific Railroad Company.

WHO DICTATES THE COMPANY'S POLICY?

When I charged, in the discussion with Gov. Brown, in Charleston, that the Pennsylvania Central had intended from the beginning, and intends now to get, if it can, a Southwest connection from St. Louis, via Vinita, and that the Bill advocated by Mr. Scott before the Senate Committee, in December, 1874, asked for a subsidy for the Texas and Pacific and the Atlantic and Pacific which runs from Vinita Southwest. Gov. Brown replied in these words, "Our Bill now does not ask for any branch from Vinita to St. Louis, nor did the company (Texas and Pacific) desire it. They (the Texas and Pacific) acted in good faith under the recommendations of the St. Louis Convention." Now, this is evidence of what I have always suspected, which is, that Governor Brown is not in the innermost secrets of Tom Scott and that Cabal seated in Philadelphia, and known there as the Pennsylvania Central, and West of the Mississippi as the Texas and Pacific. *For note this fact!* Governor Brown says the Texas and Pacific Company included the Atlantic and Pacific Company in its Bill asking for a subsidy, not because the Texas and Pacific desired the Vinita branch built, but, simply in deference to the *recommendations of the St. Louis Convention.*—*Now note this!* Tom Scott made his argument before the Senate Committee, asking \$35,000 a mile for the Texas and Pacific and the *Atlantic and Pacific*, on the 4th of December, 1874, and the St. Louis Convention *was not held until the 23d of November, 1875.*

When we see a Southern Company organized by Philadelphia men; when we see the President of that Company also the President of another huge monopoly running to St. Louis—when we know how deeply interested they are in making their investments in over 3,000 miles of railroad already built,

worth something, and we fail to see why capitalists thus involved should desire to build another road South, which would, if truly Southern, weaken their present railroad investments by dividing the business ; when we see that company stopping to pick up rich lands instead of building straight on West, as Congress required and as it promised the South ; when we see that Company suspending its work for five years, and asking for a subsidy *far greater* than was necessary to build the road, when we see that company from 1874 to 1878 trying to slide away from us and get further North, when we see it at the very first jump starting 69 miles further North than Congress fixed the Eastern terminus ; when we see a Bill afterwards introduced to make this point 69 miles further North (Texarkana) *its eastern terminus* ; when we see that company refuse, for seven years, to say where its terminus on the east bank of the Mississippi, shall be ; when we see it, under a show of the greatest fairness, after years of effort to get it to fix that terminus, inflate a long section with pretentious words, which, on close examination, accomplish nothing except to delude the public ; when we see the Vice-President explaining certain conduct of that company by saying it was done to please a convention which had never sat or existed, thus showing he is not acquainted with the motives of his chief (Scott)—when we see all this, we may as well do as the old farmer did when he saw some tramps around the horse lot about dark : “Bring the horses in the house, boys, we had better stand a little litter one night than to lose ’em.” We had better stand even a little monopoly, than to have our Southern Pacific Road taken from us and carried bodily to St. Louis ; for once established there, and passing over a bridge which would take five to seven million dollars to duplicate, the commerce of the Pacific, Arizona, New Mexico and Mexico would be forever lost to the South.

STANDING IN THE WAY OF THOSE WHO WILL BUILD.

I have now concluded on the two main questions affecting the Texas & Pacific Railroad, which are—first, its utter inability to build without a large subsidy, and the reasons for that inability ; and second, its unwillingness to build such a road as we of the South desire and need. And I come next to the claims of the Southern Pacific Company of California. First, can it build without a subsidy ? Second, will it build a road which will not be built as a feeder to northern lines of road ?

That this Company can build and will build I have no doubt, and I speak from a knowledge of their purpose and situation, and some knowledge of their financial ability. They have now over 720 miles of road in operation this side of San Francisco and to the 32d parallel. They built to that point in good faith. When Congress gave the Texas & Pacific the right to build to San Diego, it gave to this Company by the same act, the right to connect with the Texas & Pacific, at or near Fort Yuma. They have complied with the law, and when they reached Fort Yuma, they found the Texas & Pacific 1,250 miles away, their work stopped and Congress besieged for a subsidy. The eastern portion of the Southern Pacific runs for two hundred miles through a desert. Finding themselves at "Point-no-point," without trade or population, they propose to come east till they make connection with lines of road running west from the South Atlantic and Gulf of Mexico. They, therefore, ask of Congress the right to come through Arizona and New Mexico to the western border of Texas, at El Paso. Should they not meet any road there, they intend (with the consent of Texas) to build further east until they make a through connection. This is all they ask. They do not ask for government money, or bonds, or credit, or lands. At the last session of Congress they did ask for the liberal grant the government gave to the Texas & Pacific, for the same portion of the road, to wit: the lands in Arizona and New Mexico, but they are now determined to build, and will not embarrass their request by any semblance of a subsidy. This is the whole case of the Southern Pacific.

And yet it is opposed by the Texas & Pacific. Governor Brown, in his address, alleges that this Company built to Fort Yuma to prevent any other Company from occupying that territory, and thus to kill off competition with the Central and Union Pacific lines. This is very strange, and is the second, if not a sober, thought. When Congress gave the Southern Pacific the right to connect with the Texas & Pacific, at Fort Yuma, no such logic was heard. The Texas & Pacific did not then raise its voice to protect the public from this threatened destruction. It required the failure of the Texas & Pacific to reach Fort Yuma, and the purpose of the Southern Pacific, as a matter of self-preservation, to come east to El Paso (and further, if necessary), to make an all-rail connection between the Pacific and the Lower Mississippi on the Gulf, to arouse this virtuous alarm in the breast of the Texas & Pacific. But

this is all "a trick of the trade." The Southern Pacific has not the exclusive right of way along a mile of its line, and it does not ask for the exclusive right now. Mr. Scott can build a road to San Diego or San Francisco side by side of the Southern Pacific.

GULF AND LOWER MISSISSIPPI CONNECTIONS DESIRED.

Another alarm given by Governor Brown is, that the Southern Pacific will not come to El Paso, but intends to turn northeast from Maricopa Wells, in Arizona, and run to Santa Fé. And he bases his conclusion on a letter of General Sherman, in which he says, writing to a director of the Southern Pacific: "I am informed your Company will build to Santa Fé, &c." General Sherman was not so informed by an officer of the Company. Mr. C. P. Huntington, the New York agent, states most positively, and gives his reasons for it, that the Company never has intended to build to Santa Fé or anywhere else, except to El Paso, and further east, if necessary, to connect with the Gulf and Lower Mississippi. This ought to be sufficient, but his reasons are conclusive. They are (1.) That it would cost three times as much per mile to build into and through the mountains about Santa Fé; (2.) Because Santa Fé offers nothing as an objective point; (3.) Because by building to El Paso the Company will have 600 miles more of line against about 300 to Santa Fé, and, therefore, would make more; and (4.) The carrying trade in ores, minerals, grain and stock will be far more profitable to the Gulf and Mississippi than to or from Santa Fé.

Another objection by Governor Brown is this: that the Southern Pacific is the Central Pacific in disguise, and the Central is a huge monopoly; and the Governor very adroitly, in his address, calls the Union Pacific the Central Pacific. The Central Pacific runs from San Francisco to Ogden—883 miles. The Union Pacific runs from Omaha to Ogden—1032 miles. They are distinct in organizations, officers, property, in fact in everything. They are as distinct as the Central Road and the Western and Atlantic in Georgia. But Governor Brown says the Central is a monopoly. This is true in one sense. It does monopolize all business done by rail between Ogden and San Francisco. So does every railroad between its own termini, unless it has a neighbor parallel. The Texas and Pacific is a monopoly already from Marshall to Fort Worth. It would be no less a monopoly if built to San Diego. The Western

and Atlantic, from Atlanta to Chattanooga, is that kind of a monopoly.

GOVERNMENT CAN CONTROL EITHER ROAD.

But it is not true that the Central Pacific and the Southern are one. The charters are different; their rights are different, and many of the stockholders in the Southern have no interest in the Central.

But if Governor Brown's alarms were well founded—if the objection was ingenuous and virtuous—if it was made by some one else than the advocates of the projected possible prolongation of the Southwestern tail end of the Pennsylvania Central Combination Railroad Monopoly, even then there would be nothing in it, for the following good and sufficient reasons:

FIRST:—With but one stockholder left out of the Southern Pacific, there would be a majority remaining who own no stock in the Central Pacific. This answers the unadvised, if not reckless, statement, that the Central Pacific and the Southern Pacific are one.

SECOND:—When the Southern Pacific is built to El Paso, it will be 1320 miles long—the Central is 883. The owners of 1320 miles of road will not sacrifice it to 883 miles of road—even if the same men owned both.

THIRD:—The Southern will run, from Yuma, six hundred miles distant from the Central—so that the local business over the one will not interfere with the other.

FOURTH:—The Southern Pacific will never be able to extort in through rates on passengers and merchandise—because it offers to submit to Congress the regulation of through rates and to pro rate with any road or roads connecting with it from the Atlantic and Gulf—or either.

Can Colonel Scott or Governor Brown offer anything more than this in return for ninety-six millions subsidy?

FIFTH:—The South cannot be worse off than she is now—even should the Southern Pacific charge the full rates of the Union Pacific. We now have, practically, no connection with California except through New York, or Philadelphia *via* Chicago to San Francisco.

The question with the South is simple but grave. Will she have a road through Texas to the Pacific, whose connections are on southern soil. If yes, then, the only hope of one for many years is in the Southern Pacific. The Texas & Pacific

cannot build without a subsidy, and when we resolve to give any company money enough out of the public treasury to build a road, let us organize a genuine southern company, and get what we want. No private enterprise in the South can, with its own means, build from Fort Worth to Yuma. The distance is 1,250 miles, and the country poor, dry and unproductive. But the Southern Pacific offers to build and will build without a dollar of subscription from the South.

REASONS FOR DISTRUSTING THE TEXAS PACIFIC.

What that company wants is a clear title to the right of way through the territories. Gov. Brown says they have it already. It is true that Congress, in 1875, passed a general law authorizing any company to build through any territory and giving it certain privileges, but Congress reserved the right to alter, amend, or repeal that statute. A repeal before a company had acquired vested rights under that statute, would leave no right to any company except it might be by territorial legislation. But even that is subject to the approval of Congress. Besides, Congress granted to the Texas & Pacific, in 1871 and 1872, 18,000,000 acres of land (see Gov. Brown's address, page 20,) along the line which the Southern Pacific will occupy if permitted. These acres were at once withdrawn from the market by the Government, and are claimed to-day by the Texas & Pacific. That company having failed to comply with its duty to build, should no longer be permitted to hold in mortmain—yes, literally, in *dead hands*—those millions of acres. They should be placed on the market again, and at once, so they could be bought from the Government by settlers along the line of the Southern Pacific as it progresses. This is but justice to any company that will build, with its own money, a road through a region so uninviting in agricultural resources. Every available arable acre ought to be on the market to yield something for local freight.

Gov. Brown cannot see why the Southern Pacific opposes his demand for a subsidy. It will be a much harder task for him to give to Congress or to you a satisfactory reason for his opposition to a company which offers to the South, free of cost, a public highway to the Pacific, and for importuning Congress to vote away money enough for that purpose, to be handled and spent by a Pennsylvania company which for years has been handicapped by its greed for railroads—which for many seasons of healthful diet and digestion, has lain

torpid with seventeen northern roads in its anaconda stomach, and which, like Mark Twain's racing frog, is shotted down to the throat, and is vainly stretching its neck for a leap to the West while held to the ground by its jockeyed body in the East.

THE PENNSYLVANIA MONOPOLY TO BE HELPED OUT OF THE
TREASURY.

Governor Brown, finding it necessary to meet the objection to the immense subsidy asked for by him, pleads a set off against the Southern Pacific. The process of ratiocination (to say nothing of the progress in the art of logic) by which he makes out his defence, is *almost* original. He says to you in his address, that, to permit the Southern Pacific to build to El Paso, with its own money, would be to grant further aid, that is, would be the giving of a subsidy by Congress. And he arrives at this conclusion in the following novel method. He says: "Whereas Congress granted, in 1864, a subsidy to the Central Pacific Railroad Company; and whereas some of the stockholders in the Central Pacific are also stockholders in the Southern Pacific, now, therefore, if all of the stockholders in the Southern Pacific were to use their own money in building from Fort Yuma to El Paso, that would be "further aid," or as bad as granting another subsidy now to the Texas and Pacific. A indorses a note for B for five thousand dollars payable ten years after date, and A sells the note to C, gets the money and seeks to invest the money in a house. D then asks A to indorse his note for ten thousand dollars that he may buy the same house. A says "no, I am already liable for five thousand dollars by indorsing B's note." "But," says D, "if you permit B to buy that house with that money, it will be as bad for you as if you were to indorse for me for ten thousand dollars more, and let me buy the house." "*That wont do,*" Gov. "No, sir! *that wont do!*"—(Congressional Record, *passim*.)

The people of the South cannot be convinced by this logic, however much they may admire its desperate ingenuity. They are not to be so easily overwhelmed as was poor Moses, in the Vicar of Wakefield, when a very similar syllogism was hurled at him by the Squire: "I proceed to observe the concatenation of heterogenous circumstances, proceeding in a reciprocal duplicate ratio, naturally produce an analytical dialogism, which in some measure proves that the essence of spirituality may be referred to the second predicable."

The people of the South want a road to the Pacific, and want it *now*—not twenty years hence—and they must not be charged with stupidity if they fail to see that the Government will be in no better condition by becoming liable for over ninety-six million dollars (the amount of interest on your bonds at 5 per cent. for 50 years) than it will be by allowing the Southern Pacific to do the very work proposed, without any “further aid” whatever.

But the Southern Pacific has a satisfactory reason for opposing this subsidy. Let it be remembered that the Southern was authorized to build to Fort Yuma, and to connect there with the Texas & Pacific. The Southern did not then object to the subsidy of forty million acres given to the Texas & Pacific. But since the Southern has complied with the law—has built to Yuma—it does object to a fresh grant of subsidy which will enable Mr. Scott, without a dollar of stockholders’ money, to build a road to run side by side with the Southern Pacific built by a private company with its own money. This would be unjust, especially as the rates of freight over the Southern Pacific will be under control of Congress.

Besides, the Southern Pacific cannot afford to wait in a desert for the Texas & Pacific to come to it, over a stretch of 1,250 miles, especially as this cannot be done without a subsidy, and there is slight hope of one from Congress. The Southern Pacific would wait perhaps forever if it depended on the Texas & Pacific for an eastern connection. Hence that Company desires action by Congress so as to know whether another Company (the Texas & Pacific) will be paid by the public to do what the Southern Pacific intends to do without pay.

HOW IS THE SOUTH AFFECTED BY THESE RIVAL PROPOSALS?

Governor Brown seems to be serious when he speaks of “objections (to the Texas & Pacific subsidy) which are being sedulously and mischievously circulated for the purpose of defeating the present bill, by dividing and disturbing the Southern mind in its hitherto *almost unanimous* support of the measure.” This Company and the granting of subsidies must have grown wonderfully since I was in the Senate. True, I was from the beginning of this application, by Mr. Scott, opposed to his scheme, and was not in its confidence and did not know its strength. I examined into it carefully when in the Senate, and my conclusion then was, and still is, that Mr. Scott does not mean to defraud the stockholders of the Penn-

sylvania Central and its feeble adopted foster children. I respect him too much to think so ill of him. I cannot believe he wishes to take bread out of their mouths and put it into ours. And believing this, I was not, and am not, willing to give him what little bread the South has to feed his numerous railroad family.

If Congress is almost unanimous for this subsidy, the people certainly are not. The House Resolution, passed during the last session, declaring its opinion in opposition to all subsidies, may have been Pickwickian. I do not so understand it. You certainly do not. If I have circulated or shall circulate among you any "mischievous information" to disturb your "almost unanimous support" of this raid on the Treasury, I have no doubt that my friend, Governor Brown, will forgive me. He is a Southern man like myself, and I accord to him the same desire to serve his section that animates me. I know he would not knowingly mislead you. His devotion to the South has been exemplified in more ways than one. But, on this subject, I fear the Governor has "zeal without knowledge." One thing is certain, we cannot be injured by aiding the Southern Pacific to get the right of way to El Paso, and to have the lands along the line, now withdrawn from market by the Government, made subject to settlement. This requires nothing but an Act of Congress. On the other hand, as I have shown, we would almost certainly be damaged beyond remedy by giving to the Texas & Pacific the aid it requires.

In speaking so warmly for a true Southern railroad, I do not mean that I desire to exclude the North from its benefits. I am for a road from the benefits of which the South will not be excluded. This is all I mean. And in referring to Mr. Scott's intention to make the Texas & Pacific end at St. Louis, practically, I have not for a moment felt unwilling that St. Louis should reap all benefit she can from a Southern trans-continental road. To show that I do not oppose the interest and welfare of St. Louis, I will state that my opinion is, that even if Mr. Scott had succeeded in his repeated attempt to build the Atlantic & Pacific from Vinita southwest, St. Louis would have derived next to no advantage from it, because all freight from the West over the Atlantic & Pacific for the East, would not stop in St. Louis to go down the Mississippi, but would go on to some Atlantic port. And I have never been able to see what interest the State of Missouri would have in fostering the Atlantic & Pacific; for that line would certainly interfere with her roads already established, to wit: the Missouri, Kansas & Texas, the Iron Mountain, and the Missouri Pacific.

T. M. NORWOOD.

Washington, D. C., December 1st, 1878.